

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: TXU ENERGY TRADING COMPANY, d/b/a TXU ENERGY SERVICES	DOCKET NO. CGP-01-7
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ORDER APPROVING APPLICATION AND ISSUING CERTIFICATE

(Issued September 5, 2001)

On June 1, 2001, TXU Energy Trading Company, d/b/a TXU Energy Services, (TXU), filed an application for a certificate as a competitive natural gas provider (CNGP) with the Utilities Board (Board). The application has been identified as Docket No. CGP-01-7. The Board's rules at 199 IAC 2.2(18) and 19.14 establish the filing requirements for the issuance of a certificate. Subrule 19.14(4) states that an applicant will be notified when its application is complete and the 90-day review period begins. By letter dated June 7, 2001, the Board notified TXU that the application was complete and the 90-day review period had begun.

Based upon a review of the completed application, the Board finds that TXU was incorporated in Texas in 1995. TXU has obtained a certificate from the Iowa Secretary of State to do business in Iowa. Subrule 199 IAC 19.14(2) allows CNGPs providing service in Iowa prior to April 25, 2001, to continue providing service during the certification process. TXU was providing service in Iowa as of that date and therefore is authorized to provide service pending the completion of its certification process.

Iowa Code § 476.87 requires that a competitive natural gas provider or aggregator must reasonably demonstrate managerial, technical, and financial capability sufficient to obtain and deliver the services it proposes to offer. The Board in 199 IAC 2.2(18) and 19.14 established the filing requirements for a CNGP to obtain a certificate. These requirements contain the information determined by the Board to be necessary to review the managerial, technical, and financial abilities of the applicant.

As required, TXU's application contains the professional background information for its principal managerial and technical personnel. It appears that TXU's staff possesses extensive knowledge of and experience in various areas of the natural gas industry including marketing of natural gas service. TXU has had employees located in Iowa since October 1996 and it and its successors have been doing business in Iowa for approximately ten years.

Paragraph 6 of the application requires CNGPs who will serve small volume customers to submit specific financial information. TXU included this information in its application. Based on a review of that information, the Board finds that TXU has sufficient financial resources to provide competitive natural gas services to large and small volume customers. Additionally, TXU expressed its commitment to comply with all applicable conditions of certification contained in 199 IAC 19.14(5) and (6). TXU also acknowledged that failure to comply with all applicable conditions may result in the revocation of its certificate.

Based on a review of TXU's application, the Board finds that TXU has reasonably demonstrated that it possesses the appropriate managerial, technical,

and financial capability sufficient to obtain and deliver the services it proposes to offer. The Board finds that TXU's application complies with the filing requirements of Board rules, and that TXU will be issued a CNGP certificate. The Board finds that no additional conditions should be placed on the certificate.

Concurrently with the issuance of this order the Board will issue a certificate, identified as Certificate No. G-0004, to TXU. TXU will be subject to the reporting requirements contained in 199 IAC 19.14(5)"c," once the certificate is issued.

IT IS THEREFORE ORDERED:

- 1 The application for a certificate as a competitive natural gas service provider in the state of Iowa filed by TXU Energy Trading Company, d/b/a TXU Energy Services, is approved
2. TXU Energy Trading Company, d/b/a TXU Energy Services, shall comply with the filing requirements of 199 IAC 19.14(5).
3. Certificate No. G-0004 shall be issued to TXU Energy Trading Company, d/b/a TXU Energy Services.

UTILITIES BOARD

/s/ Allan T. Thoms

/s/ Diane Munns

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Mark O. Lambert

Dated at Des Moines, Iowa, this 5th day of September, 2001.